



The unincorporated community of Terrebonne, Oregon does not have a municipal wastewater system, so all developed properties rely on drainfields, sand filters, or unpermitted sewage injection wells for onsite wastewater disposal. The aging onsite wastewater disposal systems, coupled with limited soil depth and permeability, are resulting in a high rate of onsite system failures. Over the last five years, the septic system failure rate in Terrebonne has been roughly twice that of other areas within Deschutes County.

Failure of these systems poses human and environmental health risks, including surfacing wastewater and contamination of groundwater and irrigation canals. In many cases, the solutions for failing onsite wastewater systems in Terrebonne are temporary or nonexistent. If repairs cannot be made, businesses and homes could be deemed uninhabitable. Onsite system issues have burdened several property owners with exorbitant repair costs, business closures, and ongoing pumping costs due to insufficient percolation rates.

### **Response to Opportunity/Problem**

Briefly describe the major alternatives considered to address this opportunity or problem:

The Terrebonne Wastewater Feasibility Study initiated by Terrebonne community members in 2019 determined that the only sustainable long-term solution is to provide a community sewer system to Terrebonne. Other solutions considered included a conventional gravity system, septic tank effluent gravity system, grinder pump system, vacuum system, and hybrid systems (Terrebonne Wastewater System Preliminary Engineering Report). Ultimately, the Septic Tank Effluent Pump System (STEP) was selected as the preferred alternative for collection, with discharge to the City of Redmond Wetlands Complex for wastewater treatment.

**Detailed Project Description**

Clearly describe the proposed project work to be accomplished:

This project will construct Phase A of the Terrebonne Septic Tank Effluent Pump (STEP) sewer collection system, which will serve the commercial core and many of the currently failing residential systems. Wastewater will be collected within the service territory and then conveyed to the new City of Redmond Wetlands Complex for wastewater treatment.

Components include:\*

- 17,660 linear feet of 8-inch effluent pressure main
- 1,810 linear feet of 6-inch effluent pressure main
- 2,680 linear feet of 3-inch effluent pressure main
- 50 one-inch to two-inch service stubs with valves
- 3 air-release valve assemblies with odor filters
- 1 vault with mag meter, sampling port, and pH monitor
- Connection to City of Redmond manhole

\*quantities are approximate and preliminary

The project also includes engineering and surveying, construction and funding management, legal, and permitting.

The objectives of this project are to minimize public/environmental health risks from untreated sewage and to provide a cost-effective alternative to the problematic onsite disposal systems in Terrebonne.

**Project Work Plan**

List project activity milestones with estimated start and completion dates. Identify estimated date of first cash draw:

Activity	Estimated Date	
	Start	Completion
Design	Feb 11, 2024	
Construction	Aug 11, 2024	Aug 11, 2025
Initiation of Operations		Sep 30, 2025

**Estimated First Draw Date:** Aug 11, 2024

**Project Budget**

List individual project budget line items with requested budgeted amounts by IFA and non-IFA funding sources. Change budget column labels to identify the specific requested IFA funding sources. Non-IFA sources are those funds other than those requested from IFA.

**Please be aware that the award loan amount will be subject to a less than 1% issuance fee if the loan is included in the Oregon Bond Bank. Please contact Business Oregon for additional information.**

Budget Line Item (Adjust budget items to suit the project) <i>Below are general items most used</i>	IFA Funding		Non-IFA	Total
	Source 1	Source 2	Funds	
<b>Engineering/Architecture</b>	\$0	\$0	\$120,000	\$120,000
<b>Construction</b>	500,000		4,320,920	4,820,920
<b>Construction Contingency</b>			528,320	528,320
<b>Land Acquisition</b>			0	0
<b>Legal</b>			132,080	132,080
<b>Construction Management</b>			264,160	264,160
<b>Other</b> (Expand Redmond WWTP)			1,000,000	1,000,000
<b>Other</b> (ODOT Hwy 97 sewer)			1,000,000	1,000,000
<b>Other (Specify)</b>				0
<b>Other (Specify)</b>				0
<b>Totals</b>	500,000	0	7,365,480	7,865,480

**Details of Non-IFA Funds**

Source of Non-IFA Funds	Amount	Status: C-Committed, A-Application S-Submitted, AI-Application Invited, PS-Potential Source	Dates Required Funds will be Committed and Available
DEQ Clean Water State Revolving Fund Loan	\$5,245,480	S	11-Aug-24
Coronavirus State Fiscal Recovery Funds	1,000,000	C	30-Mar-23
American Rescue Plan Act (ARPA)	620,000	C	23-Aug-23
Deschutes County	500,000	C	31-Jul-24
<b>Totals</b>	7,365,480		

**If "Non-IFA funds" include USDA Rural Development funding that will require interim financing, please indicate the source of the interim financing.**

**General Certification**

I certify to the best of my knowledge all information, contained in this document and any attached supplements, is valid and accurate. I further certify that, to the best of my knowledge:

1. The application has been approved by the governing body or is otherwise being submitted using the governing body's lawful process, and
2. Signature authority is verified.

**Check one:**

- Yes, I am the highest elected official. (e.g., Mayor, Chair or President)
- No, I am not the highest elected official so I have attached documentation that verifies my authority to sign on behalf of the applicant. (Document such as charter, resolution, ordinance or governing body meeting minutes must be attached.)

**The department will only accept applications with proper signature authority documentation.**

Signature	Date
Tim Brown	President (Terrebone Sanitary District Board)
Printed Name	Printed Title

**FOR BUSINESS OREGON USE ONLY**

Concept Number	Intake Approval Date
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**Project Type:**

- |                                   |  |                                 |
|-----------------------------------|--|---------------------------------|
| <input type="checkbox"/> Planning | <input checked="" type="checkbox"/> Construction | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Design   | <input type="checkbox"/> Design & Construction   |                                 |



## Application Supplement for Water/Wastewater Financing Program Design/Construction Project

Applicant: Terrebonne Sanitary District

Project Name: Terrebonne Wastewater Collection System

<b>Section I: Property Acquisition / Ownership / Operations</b>
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- A. Is the project for the construction, improvement, or expansion of facilities necessary for a municipally owned drinking water system, wastewater system, or storm drainage system?  Yes  No

*If yes, answer questions B through I of this section.*

*If no, please contact your Regional Development Officer before continuing with this application supplement.*

- | B.                                  | <u>Project Category</u> | <u>Project Type</u>                                   |
|-------------------------------------|-------------------------|---|
| <input type="checkbox"/>            | Water System            | <input type="checkbox"/> Design and Construction      |
| <input checked="" type="checkbox"/> | Wastewater System       | <input checked="" type="checkbox"/> Construction Only |
| <input type="checkbox"/>            | Storm Drainage System   | <input type="checkbox"/> Final Design Only            |

- C. What is the physical location of the project?  
Terrebonne, OR

- D. Will the applicant own the facilities / improvements once constructed?  Yes  No  
*If no, explain:*

- E. Will the applicant operate and maintain the facility / improvements once constructed?  Yes  No  
*If no, describe:*

- F. Does the project include any acquisition of real property, including permanent easements and rights-of-way, which are directly related to or necessary for the project?  Yes  No  
*If yes, describe:*

- G. Does the project include the purchase of motor vehicle(s)?  Yes  No  
*If yes, describe:*

- H. Does the project include the purchase of any other equipment which is not directly related to and necessary for the project?  Yes  No  
*If yes, describe:*

- I. Will a private entity or business have a special legal entitlement to the project? (e.g., through either a transfer of, or partnership in ownership, lease, management contract, special user rates, development fees, or priority for use)  Yes  No  
*If yes, describe:*

**Section II: Project Opportunity**

- A. **For water system projects:** Has the drinking water system been issued a written notice regarding non-compliance from **Oregon Health Authority Drinking Water Services**?  Yes  No  N/A

*If yes, mark the box(es) below for the type of notice, list the date of the notice, and attach a copy as **Attachment C**.*

- |   | <b>Date of Notice or Permit</b> |
|---|---------------------------------|
| <input type="checkbox"/> Notice of Non-Compliance   | ■                               |
| <input type="checkbox"/> Administrative or Court Order  | ■                               |
| <input type="checkbox"/> Bilateral Compliance Agreement   | ■                               |
| <input type="checkbox"/> Informal Compliance Schedule   | ■                               |
| <input type="checkbox"/> Letter from a regulatory agency stating a high probability that the system will soon be notified of non-compliance with the <b>Safe Drinking Water Act</b> | ■                               |

- B. **For wastewater and storm drainage system projects:** Has the municipal wastewater, storm drainage, or combined sewer system received a written notice regarding non-compliance from **Oregon Department of Environmental Quality (DEQ)**?  Yes  No  N/A

*If yes, mark the box(es) below for the type of notice, list the date of the notice, and attach a copy as **Attachment C**.*

- |  | <b>Date of Notice or Permit</b> |
|--|---------------------------------|
| <input type="checkbox"/> DEQ Order, Warning Letter, or Pre-Enforcement Notice  | ■                               |
| <input type="checkbox"/> Mutual Agreement and Order  | ■                               |
| <input type="checkbox"/> Notice of Violation   | ■                               |
| <input type="checkbox"/> Compliance conditions included in Schedule C of either a Water Pollution Control Facilities (WPCF) permit or National Pollutant Discharge Elimination System (NPDES) permit | ■                               |
| <input type="checkbox"/> Letter from regulatory agency stating a high probability that the system will soon be notified of non-compliance with the <b>Clean Water Act</b>                            | ■                               |

- C. Has the applicant received a regulatory order from any **other governing authority** with responsibility for the protection of water quality or the supply of clean drinking water?  Yes  No

*If yes, attach a copy of the order as **Attachment C** and describe: Letter from the Deschutes County Environmental Health Department, highlighting the health hazards associated with existing onsite wastewater systems and the need for a municipal wastewater system.*

- D. Will this project include improvement, expansion or new construction of **infrastructure** needed to ensure that an existing drinking water, wastewater, or storm drainage system that is **currently in compliance**, will remain in compliance?  Yes  No

*If yes, explain:* The existing onsite septic systems, drill holes, and drain field systems are at serious and ongoing risk of noncompliance. The proposed project will provide a reliable municipal system to collect and treat wastewater, which will enable property owners to decommission onsite wastewater disposal systems. As a result, the compliance issues with onsite wastewater systems and the risks of public and private well contamination will be mitigated.

- E. **For wastewater and stormwater drainage system projects:** Will the sanitary sewer or stormwater project discharge effluent into a “water quality limited” stream in which the Department of Environmental Quality (DEQ) has not yet established the Total Maximum Daily Load standards (TMDLs)?  Yes  No  
 N/A

*If yes, has a consultation with DEQ been completed to determine if the project can be designed and constructed without established TMDLs?*  Yes  No

*If yes, attach documentation of DEQ consultation as **Attachment P**.*

### Section III: Additional Project Information

- A. What is the estimated useful life of the improvements included in the project?  
 100+ years
- B. Is the proposed use at specific site(s) in conformance with the current acknowledged land use comprehensive plan?  Yes  No  
*If yes, attach documentation of land use compatibility as **Attachment A**.*  
*If no, explain:* [REDACTED]
- C. Does applicant have a current Operation, Maintenance & Replacement (OM&R) manual or plan for this utility system?  Yes  No  
*If yes, attach a copy of either the table of contents, executive summary, or the full manual or plan as **Attachment K**.*
- D. Does the applicant utilize asset management planning to assure adequate revenues and budget for both near-term maintenance and projected 10-year replacement needs?  Yes  No  
*If yes, briefly describe:* The operating budget forecast provided in the Terrebonne Wwastewater Preliminary Engineering Report allocates funding towards near-term maintenance and projected 20-year infrastructure replacement needs.



E. Is there documentation of substantial local commitment to the project's success? (e.g., public hearings held; project is included in the entity's adopted budget, CIP, or master plan; private partnership or foundations are involved in funding the project, et cetera)

Yes  No

*If yes, describe:* Yes, there is a substantial local commitment to the success of the Terrebonne wastewater system project.

**Public Involvement:** Hosting an online open house in September to October 2020 to share information about septic system problems in Terrebonne and seeking public input indicates a commitment to community involvement. Formation of the Terrebonne Sewer Advisory Group, including approximately seven to nine stakeholders from the community, further highlights local engagement.

**Project Web Page:** Creating a dedicated project web page with project fact sheets, meeting minutes, maps, photos, and more demonstrates transparency and a commitment to keeping the public informed.

**Public Meeting in December 2021:** Conducting an open house on December 15, 2021, at the Terrebonne Grange Hall to update the public on the preferred system design, estimated costs, timelines, and the intent to form the Terrebonne Sanitary District showcases ongoing public engagement. It is estimated that over 60 stakeholders were in attendance.

**Official Formation of Terrebonne Sanitary District:** The Terrebonne Sanitary District was officially formed after several public hearings and approved by voters through Measure 9-156 in the March 14, 2023, special election. Subsequent to voter approval, the Deschutes County Board of Commissioners officially ordered the formation of the Terrebonne Sanitary District on April 12, 2023, as per applicable provisions within ORS 198 and 450.

**Diverse Funding Sources and Project Partners:** The initial Wastewater Feasibility Study received funding from a \$20,000 Business Oregon Infrastructure Finance Authority Grant and an \$80,000 contribution from Deschutes County. The formation of the district and preliminary design were funded by Deschutes County's allocation of American Rescue Plan Act funding, amounting to \$300,000. An additional \$190k in ARPA funds has been allocated to the project for final sewer design and District setup (pending County approval 11/20/2023). A portion of the Phase A STEP collection system will be constructed in coordination with the ODOT US97: Lower Bridge Way-NW 10th St (Terrebonne) Project. This construction has been funded by \$1,000,000 in Coronavirus State Fiscal Recovery Funds. The proposed expansion of the City of Redmond Wetlands Complex, accommodating additional flows from the Terrebonne collection system, will be funded by \$1,000,000 in funds committed by Deschutes County.

Overall, the combination of public involvement, dedicated project documentation, public meetings, substantial financial commitments, and the involvement of diverse funding sources and project partners underscores the comprehensive and substantial local commitment to the success of the Terrebonne wastewater system project.

F. Describe the experience of the individual who will be responsible for the day-to-day management of the project and ensuring its completion within defined timeframes.

The District will hire a construction manager with applicable wastewater project experience.

G. Please list the permits and regulatory authorizations needed for the project to be ready to proceed with construction, and indicate whether they have been obtained or not.

Permit Type	Review Agency	Status of Approval		If pending, anticipated approval date
Plan Review	DEQ	<input type="checkbox"/> Obtained	<input checked="" type="checkbox"/> Pending	August 2024
Utility/Work in Public Right-of-Way Permit	Deschutes County	<input type="checkbox"/> Obtained	<input checked="" type="checkbox"/> Pending	December 2024
█	█	<input type="checkbox"/> Obtained	<input type="checkbox"/> Pending	█
█	█	<input type="checkbox"/> Obtained	<input type="checkbox"/> Pending	█

**For Drinking Water System Improvement Projects Only**

H. Water system identification number: █

I. Are all service connections to your drinking water system metered?  Yes  No

*If yes, attach copy of implementing ordinance as **Attachment L** and skip to **Section IV**.*

*If no, has a plan been adopted to install the meters?*  Yes  No

J. If a plan has been adopted, describe:

█

**Section IV: Financial Information**

A. Are user rates for this system anticipated to change in the next five years?  Yes  No  
*If yes, explain:* Monthly rates will start at around \$90 per month and increase gradually through 2032, capping out around \$115 per month.

B. What sources of revenue are being pledged to repay a loan?  
 Sewer SDC fees and monthly service rates will be used to repay debt.

C. Is other debt serviced or secured by those revenues?  Yes  No  
*If yes, is the other debt described in the applicant’s audit reports?*  Yes  No

**If the other debt is not described in the audit report,** refer to the specific authorization, such as an ordinance or resolution. List below and attach a copy as **Attachment O**.

Lender	Amount of Note	Year Incurred
DEQ Clean Water State Revolving Fund	5,245,480	2024
█	█	█
█	█	█

D. Has the applicant ever defaulted on a debt?  Yes  No  
*If yes, provide a complete summary of the circumstances related to the default:*  
 █

E. Is there actual / pending litigation that could impair the applicant’s ability to repay debt?  Yes  No  
*If yes, describe:* █

**Section V: Budget Information**

A. Does the project budget (as included in the General Application) include direct project management expenses?  Yes  No  
*(Direct project management is defined as expenses that will be incurred that are directly related to and necessary solely to support or manage project activities and are not routine or ongoing expenses of the municipality, or expenses for current staff that are already included in the municipality’s adopted budget.)*  
*If yes, describe how the direct project management services will be provided:*  
 The District will hire a construction project manager with applicable wastewater project experience to oversee successful completion of the capital project.

- B. A current engineer's cost estimate must be included as **Attachment R**. Who prepared the cost estimates for the project?

**Note:** *To be considered current, the cost estimate must have been completed within the past 6 months.*

Name: Ryan Rudnick

Title: Project Manager

Company: Parametrix

Phone Number: 541-508-7785

Date of project cost estimate: **Sep 14, 2023**

- C. Will reimbursement be requested from the IFA for any directly related project expenses that have been, or will be, incurred **prior to an award**?  Yes  No

*If yes, identify and describe the type and amount of pre-award expenses below:*

**Note:** *Pre-award expenses must be included as a separate line-item in the project budget in the General Application Form.*

1. Preliminary design or engineering expenses incurred within the last 12 months?  Yes  No

*If yes, describe:*

2. Construction activities, including land acquisition, site preparation, mobilization and similar costs incidental to commencement of construction?  Yes  No

*If yes, describe:*

3. Other activities necessary to allow the project to proceed?  Yes  No

*If yes, describe:*

4. Are pre-award expenses **less than 20%** of the total cost of the project?  Yes  No

*If no, describe:*

### Attachments *(in progress)*

Attachment Description		For IFA Use (Attached?)
Attachments Required with all Applications		
<b>A</b>	Documentation from the appropriate entity (city or county planning department) that indicates the project is consistent with the acknowledged local comprehensive plan.	<input type="checkbox"/>
<b>B</b>	Map(s) showing the location of the project, including tax lots / parcels and road widths, et cetera, and delineation of the boundaries of the utility system's service area.	<input type="checkbox"/>

<b>C</b>	<p>One of the following:</p> <ol style="list-style-type: none"> <li>1. Written notice of non-compliance with either the Safe Drinking Water Act or the Clean Water Act issued by the appropriate regulatory agency, Department of Environmental Quality (DEQ), or the Oregon Health Authority (OHA), Drinking Water Services;</li> <li>2. Recent letter from the appropriate regulatory agency – DEQ or OHA Drinking Water Services or their contracted agent – stating that the system has a high probability of being notified soon of non-compliance with either the Safe Drinking Water Act or the Clean Water Act; or</li> <li>3. Documentation of <u>proposed</u> new requirements of the Safe Drinking Water Act or the Clean Water Act that will take effect within the next two years, and an explanation of how those new requirements will cause your system to be deemed out of compliance.</li> <li>4. Order from other governing authority with responsibility for the protection of water quality or the supply of clean drinking water.</li> </ol>	<input type="checkbox"/>
<b>D</b>	The preliminary engineering report / planning work or study conducted to determine the feasibility of the proposed drinking water, wastewater, or storm drainage system facilities or improvements. The documents must be certified by a registered professional engineer licensed in Oregon.	<input type="checkbox"/>
<b>E</b>	A copy of the current Water System Master Plan, Wastewater Facilities Plan, or Stormwater Facilities / Master Plan for the system, unless a copy of the Plan has already been provided to your Regional Development Officer.	<input type="checkbox"/>
<b>F</b>	List the ten largest property tax payers in the applicant’s jurisdiction, their type of business, local taxes and current assessed value. If net revenues from your drinking water or wastewater system will be pledged to repay the loan, also complete the “Summary of Users, Consumption and Rates” and “System’s Ten Largest Customers” tables for the applicable system(s). <i>(See the form <b>Attachment F.</b>)</i>	<input type="checkbox"/>
<b>G</b>	A Schedule of Pro Forma Revenues and Expenditures for the applicable fund(s) that will be pledged to repay the loan for each of the next five years and any underlying assumptions used in the Applicant’s adopted budget. <i>(See the form <b>Attachment G.</b>)</i>	<input type="checkbox"/>
<b>H</b>	Applicant’s adopted budget.	
<b>I</b>	Applicant’s last three audit reports (if not available at the Secretary of State website: <a href="http://www.sos.state.or.us">http://www.sos.state.or.us</a> ).	<input type="checkbox"/>
<b>J</b>	A copy of the current rate schedule, including rates for System Development Charges (SDCs).	<input type="checkbox"/>
<b>K</b>	Copy of plan or manual for the ongoing operation, maintenance, and replacement (OM&R) - either the table of contents, executive summary, or the full plan or manual that pertains to this utility.	<input type="checkbox"/>
<b>L</b>	A copy of the most recent resolution or ordinance that adopts the current rate schedule.	<input type="checkbox"/>
<b>R</b>	Current engineer’s cost estimate (see Section 5 B)	<input type="checkbox"/>

Check If Applicable	Check box at left and include any of the following attachments that are applicable to the project proposal		
<input type="checkbox"/>	<b>M</b>	If project is for a <b>drinking water system</b> , a copy of the applicant's ordinance / order / resolution / policy, et cetera, which requires the installation of meters on all service connections to the system.	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<b>N</b>	If available, the plans and specifications for the project.	<input type="checkbox"/>
<input type="checkbox"/>	<b>O</b>	Copies of all ordinances / resolutions that authorizes the debt that is supported by the source of repayment for this financing. ( <i>See Section IV: Financial Information, Item C.</i> )	<input type="checkbox"/>
<input type="checkbox"/>	<b>P</b>	If the project is for a <b>wastewater treatment facility</b> which will discharge into a water quality limited stream(s), but TMDLs have not yet been established for the stream by the Department of Environmental Quality (DEQ), please attach documentation which indicates that DEQ has determined the project can be constructed without the establishment of TMDLs.	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<b>Q</b>	If the project overlaps municipal boundaries, attach an executed copy of an intergovernmental cooperation agreement that sets out the duties and obligations of each entity.	<input type="checkbox"/>